

TITLE V PERMIT STATEMENT
REVISED FOR SIGNIFICANT MODIFICATION NUMBER 1
SIGNIFICANT MODIFICATION APPLICATION DATED MAY 10, 2005

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| Facility Name: | Eastman Chemical Company – Tennessee Operations |
| City: | Kingsport |
| County: | Sullivan |

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| Date Application Received: | August 25, 1997; Revisions dated July 22, 2001 and March 7, 2003 |
| Date Application Deemed Complete: | September 3, 1997 |

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|---------------------------------------|--------------------------|
| Emission Source Reference No.: | 82-0003 - MSOP-25 |
| Permit No.: | 548412 |

INTRODUCTION

This narrative is being provided to assist the reader in understanding the content of the attached Title V operating permit. This Title V Permit Statement is written pursuant to Tennessee Air Pollution Control Rule 1200-3-9-.02(11)(f)1.(v). The primary purpose of the Title V operating permit is to consolidate and identify existing state and federal air requirements applicable to Eastman Chemical Company - Tennessee Operations and to provide practical methods for determining compliance with these requirements. The following narrative is designed to accompany the Title V Operating Permit. It initially describes the facility receiving the permit, then the applicable requirements and their significance, and finally the compliance status with those applicable requirements. This narrative is intended only as an adjunct for the reviewer and has no legal standing. Any revisions made to the permit in response to comments received during the public participation process will be described in an addendum to this narrative.

Acronyms

PSD - Prevention of Significant Deterioration
NESHAP - National Emission Standards for Hazardous Air Pollutants
NSPS - New Source Performance Standards
MACT - Maximum Achievable Control Technology
NSR - New Source Review

I. Identification Information

A. Source Description

MSOP-25

| | | |
|----------------------|---|-------------------|
| PES OC-BATCH: | Specialty organic chemicals manufacturing | 82-1011-12 |
| PES B-267-4: | Drum melters and packaging operation | 82-0003-81 |
| PES B-267A-3: | Batch production equipment for specialty organic chemicals | 82-1004-85 |
| PES B-267-SR: | Units 34 thru 39 Solvent recovery columns, receivers, condensers | 82-1009-58 |
| PES B-267-25: | Unit 92 Solvent recovery columns, receivers, condensers | 82-1009-65 |
| PES B-267Y-1: | Unit 90 Solvent recovery column, receiver, condenser | 82-1003-19 |
| PES B-267Y-2: | Unit 95 Solvent recovery column, receiver, condenser | 82-1003-20 |
| PES B-267Y-3: | Unit 94 Solvent recovery columns, receivers, condensers | 82-1003-21 |
| PES B-267Y-4: | Unit 93 Solvent recovery columns, receivers, condensers | 82-1003-22 |
| PES B-267Y-5: | Process Tanks | 82-1003-23 |
| PES B-267Y-6: | Unit 91 Extractor Column and Receivers | 82-1004-32 |
| PES B-267Y-7: | Unit 96 Solvent recovery columns, receivers, condensers | 82-1004-33 |
| PES B-267Y-8: | Ethylene Glycol Recovery | 82-1004-70 |
| PES B-267Y-9: | Dumpster, Trailer, and Railcar Loading and Unloading Stations | 82-1005-79 |
| PES B-267TF: | Chemical storage tanks | 82-1003-83 |

B. Facility Classification

1. Attainment or Non-Attainment Area Location

Area is designated as an attainment area for all criteria pollutants.

2. Company is located in a Class II area.

C. Regulatory Status

1. PSD/NSR

This facility is a major source under PSD.

2. Title V Major Source Status by Pollutant

| Pollutant | Is the pollutant emitted? | If emitted, what is the facility's status? | |
|------------------|---------------------------|--|-------------------------|
| | | Major Source Status | Non-Major Source Status |
| PM | Yes | yes | |
| PM ₁₀ | Yes | yes | |
| SO ₂ | Yes | yes | |
| VOC | Yes | yes | |
| NO _x | Yes | yes | |
| CO | Yes | yes | |
| Individual HAP | Yes | yes | |
| Total HAPs | Yes | yes | |
| | | | |

* 3. MACT Standards for Sources contained in this Title V Application

This facility is a major source for HAPs. A source contained in the MSOP-25 application must comply with the following MACT / NESHAP:

40 CFR Part 63, Subpart FFFF – National Emission Standards for Hazardous Air Pollutants – Miscellaneous Organic Chemical Manufacturing (MON): Final rule promulgated November 10, 2003.

4. Program Applicability

Are the following programs applicable to the facility?

PSD (yes)

NESHAP (yes)

NSPS (yes)

5. Simultaneous Processing of Title V Permit and Construction Modifications (for permit issued November 14, 2003)

In addition, the draft operating permit includes requested construction modifications to the existing sources included in MSOP-25. These modifications (Division identification number 82-1011-12 / 56476) are included with the public notice to allow simultaneous processing of the major source operating permit and the construction permit. Production rate limits and the requirement to maintain a record of production and / or tank capacity and throughput were removed from the following sources: OC-BATCH, B-267-4, B-267A-3, B-267-25, B-267Y-1, B-267Y-2, B-267Y-3, B-267Y-4, B-267Y-5, B-267Y-6, B-267Y-7, and B-267TF. Fugitive VOC emission limits were removed from the following sources: OC-BATCH, B-267A-3, B-267-25, B-267Y-1, B-267Y-2, B-267Y-3, B-267Y-4, B-267Y-5, B-267Y-6, B-267Y-7, B-267Y-8, B-267Y-9, and B-267TF. Work practice standards were added to these sources for fugitive VOC emissions monitoring. Fugitive sulfuric acid, hydrochloric acid, and chlorosulfonic acid emission limits were removed from the source B-267TF, and fugitive ammonia, nitrogen oxides, carbon monoxide, and halogens and halides emission limits were removed from source OC-BATCH. Work practice standards were added to these sources for fugitive emissions monitoring. There will not be any physical construction to achieve the modifications.

* 6. Significant Modification

A significant modification application, dated May 10, 2005, was submitted by the facility to add to the MSOP-25 Title V permit the requirements of 40 CFR Part 63 subpart FFFF - National Emission Standards for Hazardous Air Pollutants – Miscellaneous Organic Chemical Manufacturing (MON). The application includes an Emissions Averaging Plan, which is the method the facility has selected to comply with the rule. Specific revisions to the MSOP-25 permit are listed in the addendum to the statement of basis.

II. Compliance Information

A. Compliance Status

Is this portion of the facility currently in compliance with all applicable requirements? yes

* Are there any applicable requirements that will become effective during the permit term? yes

40 CFR Part 63, Subpart FFFF – National Emission Standards for Hazardous Air Pollutants – Miscellaneous Organic Chemical Manufacturing (MON): Final rule promulgated November 10, 2003 – future compliance date.

III. Other Requirements

A. Emissions Trading

The facility is not involved in an emissions trading program.

B. Acid Rain Requirements

This facility is not subject to any requirements in Title IV of the Clean Air Act.

C. Prevention of Accidental Releases

Not applicable to this portion of the facility.

IV. Public Participation Procedures

Notification of this draft permit was mailed to the following environmental agencies:

1. EPA
2. North Carolina Department of Environment and Natural Resources
3. Virginia Department of Environmental Quality
4. Kentucky Department for Environmental Protection

* Revised information for Significant Modification number 1